



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

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TOBACCO HOLDINGS REPORTED TO HAVE COST RETIREMENT SYSTEM \$130 MILLION OVER LAST FIVE YEARS

CalPERS BOARD SET TO CONSIDER TOBACCO FREE INVESTMENT POLICY

Sacramento, CA—On Monday, October 16, 2000, the Investment Committee of the California Public Employees' Retirement System (CalPERS) will resume consideration of State Treasurer Philip Angelides' proposal for adoption of a tobacco-free investment policy. The proposed policy would affect approximately \$590 million in tobacco stocks and securities held by CalPERS. This item will be considered at 1:30 p.m. in the CalPERS Board Room, at 400 P Street in Sacramento.

According to a staff report released this week, CalPERS would have earned an additional return of \$130,337,218 had it not invested in tobacco stocks over the past five years.

Additionally, revised CalPERS' projections of transaction costs associated with the move to a tobacco-free investment policy have dropped dramatically. The October 16 staff report now estimates that transaction costs to dispose of CalPERS' tobacco holdings would be approximately \$3.5 million, down from previous projections of up to \$56 million (April 17 CalPERS staff report) and potentially upwards of \$20 million (June 19 CalPERS staff report).

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